

**QUONSET DEVELOPMENT CORPORATION**  
**MEETING OF BOARD OF DIRECTORS**

**EXECUTIVE SESSION MINUTES**

**February 13, 2006**

**A meeting of the Board of Directors of the Quonset Development Corporation (the “Corporation”) was held at 5:00 p.m. on Monday, January 9, 2006, at the offices of the Corporation located at 30 Enterprise Drive, North Kingstown, Rhode Island, pursuant to notice to all members of the Board of Directors and a public notice of the meeting as required by the Bylaws of the Corporation and applicable Rhode Island law.**

**The following Directors constituting a quorum were present and participated throughout the meeting as indicated: Robert Crowley, Kas R. DeCarvalho, David A. Doern, Thomas Hazlehurst, Michael E. McMahon, Anthony F. Miccolis, Jr., John A. Patterson, Sav Rebecchi, M. Paul Sams, and John G. Simpson.**

**Also present were: W. Geoffrey Grout, Managing Director, E. Jerome Batty, Secretary, Steven King, COO, Mary C. Lake, CFO, David Preston and Dyana Koelsch.**

**Prior to adjournment to Executive Session, the Board:**

**VOTED: To adjourn to Executive Session pursuant to Subsection (2) – (Litigation), Subsection (5) – (Acquisition or Lease of Real Estate for Publicly held Property and Subsection) and Subsection (6) – (Location of Perspective Businesses in Rhode Island) of the RIGL §42-46-5(a) (the “Open Meetings Law”).**

**Voting in favor were: Mr. Crowley, Mr. DeCarvalho, Mr. Doern, Mr. Hazlehurst, Mr. Miccolis, Mr. Patterson, Mr. Rebecchi, Mr. Sams and Mr. Simpson.**

**Voting against were: none.**

**Unanimously approved.**

**1. DISCUSSION REGARDING MODIFICATION TO NEW BOSTON DEVELOPMENT PARTNERS LLC GATEWAY AGREEMENT:**

**Chairman McMahon discussed the request of New Boston Development Partners LLC for an extension of the due diligence period. Chairman McMahon noted that New Boston Development Partners LLC needed more time to address issues raised by the Town of North Kingstown regarding the approval process for projects at Quonset. Once again for the record, Chairman McMahon noted that he recused himself from the selection of New Boston Development Partners LLC.**

**Mr. Grout indicated that New Boston Development Partners LLC is basically asking for an extension of time before the \$500,000 escrow deposit becomes non-refundable. Mr. Grout also indicated that there were concerns regarding the Town of North Kingstown's threatened litigation over the relocation of Davisville Road. Mr. Grout also indicated that it was highly likely that we would need to revisit the issue again at the March board meeting.**

**Chairman McMahon asked Mr. Batty to advise the Board of the outstanding issues that were of concern to New Boston Development Partners LLC. Mr. Batty indicated that there were 5 areas of concern:**

- 1. The assertions of the Town of North Kingstown regarding its participation in the development approval process.**
- 2. Comments by the Town of North Kingstown regarding the proposed relocation of Davisville Road.**
- 3. Title issues affecting the property.**
- 4. Buffer, water and storm drainage lines that may affect the property.**
- 5. Negotiation and approval of a final ground lease form.**

**Mr. Batty indicated that QDC believes the statute is clear with respect to issue number 1. Mr. Batty also indicated that the issues with the exception of number 1, could be resolved in the next 30 days.**

**Mr. Miccolis indicated that the Town of North Kingstown had an**

agenda item for later that evening regarding the Town's recommendation with regard to the relocation of Davisville Road and that a resolution would be passed.

Mr. Simpson was concerned that threats of potential litigation by the Town of North Kingstown could have a damaging impact upon the proposed Gateway project and was concerned about delays and devaluation of the project should these threats continue unaddressed.

Chairman McMahon stated that he believed it was a positive thing to have two members of the Town of North Kingstown Town Council on the QDC Board. However, he wanted to remind everyone that what goes on in Quonset is the responsibility of the Quonset Development Corporation. Chairman McMahon acknowledged that not all residents of the Town will be happy with the development of Quonset, but the development of Quonset generates substantial tax revenue and Pilot payments to the Town. The Corporation will continue to work with the Town as development progresses.

Mr. Patterson agreed that the message of Quonset had been consistent regarding the relocation of Davisville Road and that the Town Council was close to a resolution.

Chairman McMahon stated that he believes the Community Advisory Committee could help with these types of issues. Chairman

**McMahon said that if Quonset and the Town could not agree on New Boston Development or Hummingbird, Quonset would be devastated in the marketplace for years to come.**

**Mr. Batty noted that the Town's correspondence concerning the authority of the Corporation to approve projects at Quonset is causing significant concerns with New Boston Development Partners LLC and delaying the proposed Gateway development.**

**Mr. Rebecchi indicated that there were frustrations on the part of himself and others on the Board in moving projects forward.**

**Upon motion duly made by Mr. Doern and seconded by Mr. Crowley the Board:**

**VOTED: To amend the Development Agreement with New Boston Partners, LLC by extending the due diligence period from February 21, 2006 to March 21, 2006 and as set forth in the First Amendment to Development Agreement attached hereto.**

**Voting in favor were: Mr. Crowley, Mr. Doern, Mr. DeCarvalho, Mr. Hazlehurst, Mr. Miccolis, Mr. Patterson, Mr. Rebecchi, Mr. Sams and Mr. Simpson.**

**Voting against were: none.**

**Mr. Miccolis and Mr. Patterson recused themselves from the meeting and left at 6:56 p.m.**

## **2. DISCUSSION REGARDING POSSIBLE LITIGATION:**

**Mr. Miccolis and Mr. Patterson recused themselves from the discussion regarding litigation and left the meeting. Chairman McMahon reviewed the possible scenarios with the Board regarding possible litigation with the Town of North Kingstown involving title to Little Allen Harbor and authority issues. While the Corporation would like to avoid litigation, the Corporation will have to respond if the Town brings an action against the Corporation. The Board discussed the various alternatives and responses to possible litigation.**

**There being no further business to come before the Executive Session, upon motion duly made by Mr. Doern and seconded by Mr. Rebecchi, the Executive Session was adjourned at 7:38 p.m.**

**Voting in favor were: Mr. Crowley, Mr. DeCarvalho, Mr. Doern, Mr. Hazlehurst, Mr. Rebecchi, Mr. Sams and Mr. Simpson.**

**Voting against were: none.**

**Unanimously approved.**

**Respectfully submitted by:**

**By:**

**E. Jerome Batty, Secretary**